FBIS DAILY REPORT

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ALFONSIN ANNOUNCES ECONOMIC REORGANIZATION PLAN

PY290211 Buenos Aires Domestic Service in Spanish 0000 GMT 29 Nov 86

[Excerpts] Good evening. Today I want to talk to you to explain a subject that I am sure is as important to you as it is to me. We must develop a policy to restructure the state apparatus.

When we launched our economic reform plan in June 1985, I was able to point out the clear relationship between economic reorganization and state reform -- that is, because what really is a growth policy and the debureaucratization of the public sector.

The truth is that over time, authoritarianism on the one hand and political favoritism on the other overloaded th public sector not only with responsibilities but also with a large number of workers. In this manner, effective production was deprived of good minds and labor. Many posts were created. They had to be justified, which caused disorganization and hindered national development with all sorts of bureaucratic obstacles.

There is no doubt that under current circumstances, the country is emerging from a phase in which past economic policies promoted speculation. This speculation dismantled the nation's productive apparatus.

In order to reverse that phase, we have sought deep changes and new answers to structural problems. Today there is no doubt that we are on the right path, just as there is no doubt that the progress we have achieved is due to all of you. [passage omitted]

We can refer to our achievements in the financial field. We have curbed the fiscal deficit, which had reached approximately 15 percent of our GDP, but which will probably be only 3 percent of our GDP by the end of this year. This means that the country has made an effort that has yielded results: inflation has fallen noticeably, and we are far from the dangers of hyperinflation. The unemployment rate has also fallen. There is more work in Argentina, and we can be optimistic because we are on the right path. We are on the way to becoming the country we are capable of becoming. [passage omitted]

This morning I had the pleasure of meeting with the leadership of the General Confederation of Labor [CGT]. This too is very important for the country, not only for the workers but also for democracy. I have said many times that modern democracy in any part of the world needs the drive and support of organized labor. I am convinced that we are going to start a new dialogue that will undoubtedly have its difficult phases and sometimes might lead us to the brink of conflicts. But it will be a dialogue of the Argentine people's democracy, a democracy that all of us together will strengthen gradually. In other words, we now face the need to provide another type of response. I would say it is virtually the duty of the government to pay a debt, a debt that it owes to the people, who are acting in the service if democracy and who, with effort, are consolidating the economic growth processes. We must now make the same effort to channel into production the great pools of unproductive labor which during the past few years have been centralized in the state bureaucracy. We are all aware that one of the most negative results of this is inefficiency, which is due mainly to the artificial multiplication of positions, with which some have sought to justify excess workers in the state apparatus. This hinders productivty, not only because it imposes costs, which sometimes are unbearable, but also because it conditions its own development of exhausting, often senseless paperwork.

Therefore, the efforts in which we are engaged, this effort in which the country is engaged for the construction of a democracy that will be stable and modern and includes the participation of all sectors, cannot be divorced from a particular effort to overcome the inefficiency and irrationality of the public sector. There is no growth without rationality. There is no social justice without efficiency, and our struggle for these two objectives, we must carry out a drastic and deep-rooted reorganization of the public sector. [passage omitted]

We are going to adopt immediate measures in three sectors with the purpose of achieving the objective we are pursuing and begin paying the debt the state owes to the Argentine people. The first measure will be to reorganize the state-owned production and service enterprises; second, the public administration salary and employment guidelines; and third, the social security system. These reforms seek to overcome the confusion regarding state functions.

We will establish a clear difference between the design of policies at the ministerial level and the design of entrepreneurial policies at the management level. To this end, we will create an interministerial committee made up of the minister of public works and services and the economy minister. The committee will cordinate the sectorial plans with the general economic policy. We also create a holding of state-run companies, which will reorganize the companies seeking to achieve economic efficiency and operational autonomy. [passage omitted]

As I was saying, we are also going to deal with the public administration through a package of measures, which consists of reorganizing the salary scale for the public sector. It is quite obvious that during the course of this year we faced a series of problems in this sector. Demands, justified demands, have been made because public sector salaries are low. Therefore, we must seek solutions that will not entail an increase of expenditures, which in turn will cause inflation. It is public knowledge that we have chosen not to solve our problems by issuing currency, hyperinflation, deceit, and regression, because inflation most affects the lower-income sectors. Therefore, we seek formulas that reduce public-sector expenditures. We want to reduce public sector personnel. I want to make it clear that we are not going to dismiss anyone. As you will see, this reduction will be achieved through voluntary retirement, but always seeking to grant equitable and fair compensation. The necessary time will also be taken in this process which seeks to balance and rearrange the wage scales as well as to reorganize the public sector by modifying the administrative structure. We envision a 3-year program divided into 2 phases, within which a progressive 33-percent increase will be granted to the lower echelons. The various scales will be revised with the elimination of the great differences that currently exist between equal categories at the same level in different ministries. This, of course, does not include across-the-board increases, which will continue to be granted in keeping with the development of the economy and the level of prices. This is an extra increase that will, above all, help the most neglected sectors but will aslo allow a substantial wage increase for the others in the organizational pyramid.

Moreover, we intend to tackle the reorganization of structures, to establish mechanisms for voluntary retirement with clear incentives through an adequate compensation system, and a reassignment of functions to make the public sector more efficient.

Regarding the social security system: It is no news to you that it is in a very serious situation and requires urgent attention, mainly for the sake of solidarity. The state has the duty to find the resources with which to fulfill the basic needs to this social program.

We have decided to declare the national social security system in a state of emergency. That is, we have decided to publicly report the condition it is in. Aware of the hardships suffered by retired people, the government has adopted several measures to ease their situation.

As part of this emergency program, we agreed today with the General Economic Confederation Secretariat [as heard] to delay passing a far-reaching reform project in order to discuss it with the workers and retired people themselves. However, as part of this emergency program, we have decided to establish a new formula with which to calculate pensions, a new formula that will improve significantly the pensions paid to retired people. The retired workers' pensions, which have deteriorated, will increase considerably, from 40 to 80 percent over currrent amounts.

Therefore, on 1 January 1987, the new pensions and retirement allowances will receive an increase which, as I have said, will be considerable for medium-income workers. during the next year, pensions and allowances will increase by almost 80 percent for nearly 50 percent of the retired workers.

We have decided to correct a situation that is unjustifiable. There are still homes in which elderly people do not receive any benefits from the social security system. This is why, beginning next year, all people over 70 who have 10 or more years of effective residence in the country, even if they are not Argentines, will benefit from the allowances offered by the National Institute of Retired Workers and Pensioners, the PAMI (Comprehensive Medical Assistance Plan], as long as they are not covered by another social security system.

We started by taking a very important step forward, which I dare say is gigantic, to establish the national health insurance system. We are convinced that the country needs this national health insurance system, and we hope that we will soon reach an agreement with the organized labor sector to hasten the debate over the corresponding bill in Congress.

Within this same spirit, we will create a special family bonus for those who are covered under the social security system. In this manner we will increase the benefits of retired workers and pensioners regardless of their allowances and of the retirement fund to which they belong.

The government is aware of the challenge that this reform entails. In the past, other governments have tried to achieve the same objective, but they failed. We know that the people's judgment of our work will depend on the determination with which we undertake it, rather than on the fact that we have put forward an original initiative.

We do not renege on our own responsibilities, and we believe everyone must participate in this task. We want you to check our actions, to start wondering whether the government has too many employees or whether it is employing unnecessary people. I am sure that if we all help we will move ahead. Join us in this effort, too.

Democracy is a system that can bring out the people's energy and resourcefulness to successfully implement a change that can no longer be delayed. This is the beginning of a path on which we will travel together because most of our achievements in this field will result in a better standard of living for every Argentine citizen. We still have much to do to rationalize the administration. The transfer of the federal capital, if Congress approves it, will be very important. It will be like a trigger project that will ultimately implement the overall administrative rationalization project. Then, the government will function better, the people will fare better.

Thus, we will be able to implement and to conclude a number of activities that will enable us, as I like to put it, to build the country we know we deserve. I want to thank you in advance for this new effort. Let no one in the administration fear. We are not implementing a policy of dismissals. Public employees themselves will be better off, will feel more respected, and will have better salaries. Through the efforts of all public servants we can show the nation what democracy can achieve, that is, all that we can achieve when we make a joint effort. Good night.

Opposition, Labor Leaders Reply

PY301845 Buenos Aires BUENOS AIRES HERALD in English 30 Nov 86 p 15

[Text] (NA-DYN) -- The rationalization programme announced by President Raul Alfonsin on Friday night met with overall favourable comments from leaders of the ruling Radical party yesterday, but with cool to heated reaction from the opposition and from labour leaders.

Peronist economist Jorge Dominguez said Alfonsin's speech was unrealistic and only reflected a large share of good will while Manuel Mora y Araujo of the Democratic Centre Union (UCeDe) said instead of setting up a holding company of state enterprises the government should put each of them in order first.

Luis Zamora, a leader of the Movement Towards Socialism (MAS), said the proposed plan was not a development plan and only meant a tightening of the belt to pay the foreign debt, while UCeDe Deputy Federico Clerici said the speech was a "poor presentation of a poor proposal."

Eduardo Curia, also a Peronist economic linked to technical groups of the General Labour Confederation, said the programme showed that "the management of the state will continue to depend on the political authorities ahead of concrete instruments in the matter of investment which is the crux of production."

Christian Democrat leader Carlos Auyero said the speech did not indicate "which are the social ends and the development model to which the state should adapt the rational use of its resources."

Peronist congressional candidate Carlos Ruckauf said the speech showed "the hand of the International Monetary Fund (IMF) and its adjustment policies."

Ramon Baldassini, leader of the postal workers union, said the programme would not correct distortions and instead would cause a new heightening of social tensions and unrest in the families of the workers. Martin Vieytez, a leader of the Association of Pensioners, played down Alfonsin's announcements on improvements for pensioners and said the "unfulfilled promises of the President have caused our sector its greatest damage."

SARNEY DEFENDS CRUZADO PLAN, VOWS TO KEEP ORDER

PY302300 Brasilia Domestic Service in Portuguese 2100 GMT 28 Nov 86

[Text] President Sarney has asked the people not allow the destruction of the Cruzado Plan. He explained the reasons the government had to adopt the newest economic measures and condemned the recent demonstrations that disrupted order and violated the law.

Speaking during the program "Chatting on the Radio" carried by the BRAZILIAN NEWS AGENCY, Sarney stated that he will not fail to comply with his duty:

[Begin Sarney recording] The government respects the right to dissent as long as it is expressed within the law and respects order. Because it is my duty to preserve peace, I cannot tolerate any abuse of the right to dissent. Speaking at the Latin American Industrial Congress yesterday, I said that there is only one thing the Brazilian president cannot do, and that is fail to comply with his duties. I will not fail. [end recording]

President Sarney once again outlined the achievements of the Cruzado Plan, and the pressures of speculators and radical leaders that ultimately jeopardized the plan.

[Begin Sarney recording] Although we managed to overcome a great deal of pressure, the Cruzado Plan suffered the consequences of lack of production and investment, which resulted in speculation and a shortage of items and stimulated the action of speculators. Another major threat to the Cruzado Plan thus emerged. Therefore, we had to increase prices to discourage a rising demand for items that were not available. If we let the demand for certain items increase when their production does not increase accordingly, then what in fact we would be doing is throwing our money into the hands of the speculators who are causing these problems. [end recording]

Sarney explained the reasons for adopting some specific measures.

[Begin Sarney recording] Even after the recent price increase, the price of gasoline in Brazil remains one of the lowest in the world. We increased the price of gasoline so we would not have to increase the price of diesel oil and cooking gas, because increasing the prices of these items would have had an impact on bus fares and on the budget of low-income sectors.

The increase in electricity rates has not affected low-income sectors. We also refrained from increasing the price of wheat, because this would have affected the price of bread consumed by the have-nots.

We refused to implement the compulsory loan proposal, because it would have affected all those people falling within a given income category. We also refrained from increasing the income tax because it would have affected the same group of people. Although it has been said that we are against the middle class, we have decided to spare the middle class from having to shoulder the cumpulsory loan and the income tax increase. [end recording]

Sarney made it clear that the government does not take sides because it is committed to serving the whole nation. He noted, however, that his government assigns priority to the most needy sectors.

[Begin Sarney recording] Those having larger resources, those in a better economic situation, those who claim to be defending the workers and who are earning high salaries are precisely the ones who are trying to destroy the Cruzado Plan. They are seeking to undermine our confidence in the plan as an instrument to address our economic problems. No corrective economic action or national development can be achieved without at least a minimum of sacrifice.

The Cruzado Plan is, therefore, intended to help the have-nots. Those of you who are among the low-income sectors know that the recent measures have not taken anything away from you. The wealthier sectors cannot refuse to help. It is difficult for them today to help low-income sectors. But, it would be much more difficult to live in a country that does not promote aid for the have-nots. [end recording]

DELEGATION'S CUBA VISIT PRODUCES NEW TRADE TIES

PY261627 Rio de Janeiro O GLOBO in Portuguese 20 Nov 86 p 34

[Text] Luiz Octavio Vieira, coordinator of the Foreign Trade Commission of the National Industry Confederation (CNI), said yesterday that the first visit of Brazilian businessmen to Cuba after the resumption of diplomatic relations has had positive results. Some business deals were transacted and, more importantly, there are prospects for business amounting to $200 million (about 2.8 billion cruzados). One third of this amount might be transacted during the first year of bilateral trade.

Luiz Vieira said he believes in the possibility of agreements with Cuba in the areas of biotechnology and computer science. The Cubans have made great progress in the production of interferon and they can transfer socialist computer technology to Brazil. They can manufacture displays, printers, and video screens with GDR technology.

Vieira reported that during this first trip, the Cubans bought 144 air conditioning units from the Consul Company, tubes and connections from the COFAP Company, textiles from Moinhos Santista Mills, carbide from the White Martins Company, and asbestos sheets. The Brazilian businessmen mainly bought textile and computer products.

In conclusion, Vieira said that the idea has been mentioned of studying the possibility of an agreement similar to ALADI.

Sardine Contract Finalized

PY221414 Brasilia Domestic Service in Portuguese 0900 GMT 22 Nov 86

[Excerpt] [Passage omitted] Beginning next week, a packing firm in Salvador will sell 2,000 tons of sardines imported from Cuba. This is the first deal between Brazilian and Cuban companies since the resumption of diplomatic relations between the two countries. The value of the contract is 14 million cruzados.

UNIVERSITY ELECTIONS MARKED BY POLARIZATION

PY270248 Madrid EFE in Spanish 1625 GMT 21 Nov 86

[By Senen Conejeros]

[Text] Santiago, 21 Nov (EFE) -- If the current situation holds, and if one were to make predictions based on the results of the recent elections, one would see a three-way political tie and a polarization toward the extremes.

According to political observers, this is what the results of the student elections held over the last few days indicate.

A notable gain by the right in some universities dominated by Marxist left-wing sectors, and the maintenance of a strong right-wing representation in other universities where the Marxist parties have more votes, indicates that the polarization process is under way.

The observers feel that that trend toward the extremes will increase as long as the centrists continue proving that they are unable to exert pressure through their proposals.

The political leaderships have already started to draw their conclusions based on the results of the elections, in which the different tickets won by narrow margins, thus giving rise to the three-way political tie that has been traditional over the past 30 years; the Marxist left wing, the centrists, and the right wing.

At the University of Chile, the Christian Democrats [PDC], joined by the center-left Socialist [PS] and the Humanists, won by a very narrow margin over the Marxist ticket, leaving the right in third place.

At the Chilean Catholic University, the right won over the PDC-PS and Humanist ticket, also by a narrow margin, leaving the Marxist parties in third place.

At Santiago University, the Marxist parties won, followed by the PDC, the PS, and the Humanists. The right ranked third.

At the University of Tarapaca, in northern Chile, victory went to the Popular Democratic Movement (MDP) the Marxists came in second, followed by the right, the PDC-PS and the Humanists.

For the local political leaders, the events at the Chilean universities are traditionally very important because, except for logical margins of error, they have always been a projection of what will happen in the country in the coming years.

A high-ranking opposition leader told EFE that the current trend is "worrisome" because "even though it is true that the budding alliance between Christian Democrats and center-left-wing Socialists seems to be the forerunner, the lack of the voters' inclination toward dialogue and peacemaking appears to be very strong."

A large number of socialists, who do not share the extreme Marxist positions of their fellow socialists who have remained together with the communists within the MDP, have joined the Christian Democrats in an alliance that, based on socialist and Christian humanism, tries to be a government option for the future.

This action broke the traditional Socialist-Communist alliance, thus thwarting the resurrection of the Popular Unity that ruled the country until 1973 under the leadership of late socialist president Salvador Allende.

However, according to certain observers, this step has not been fully understood by those in power, who cling to their dogmatic attitudes and prevent the masses from seeing moderate positions as effective solutions for the democratization of the country.

The winners in all this are the Marxist left, because it appears as a "feasible" option in view of the regime's inflexibility, and the right wing, as long as it displays its "independence" from the military regime, the observers say.

These sources added that the centrists therefore lose because their attitude favoring dialogue and nonviolence does not convince the Marxist left nor does it prompt the government to make any steps toward a political opening.

BRIEFS

ZOFRI USERS VISIT PRC -- ZOFRI [Iquique Free Trade Zone] Users Association President Gabriel Abusleme Alfaro has reported that a Chilean delegation has met with Foreign Ministry and trade office representatives and has visited Beijing, Canton, Shensi, special economic zones (free trade zones), and Hong Kong. [Excerpt] [Santiago EL MERCURIO in Spanish 3 Nov 86 p C6 PY]

SEVENTH REGION INTENDANT APPOINTED -- Colonel Jorge Silva has been appointed 7th Region Intendant. Col Silva will replace Colonel Patricio Varela Saldias. [Excerpt] [Santiago EL MERCURIO in Spanish 9 Nov 86 p C3 PY]

NEW NINTH REGION INTENDANT -- The commander of La Concepcion de Lautaro Regiment, Lieutenant Colonel Sergio Prado Lazo, has been appointed intendant of the Ninth Region. He will replace Brigadier General Miguel Espinoza Guzman, who has been appointed deputy commander of the Army Second Division headquartered in Santiago. [Excerpt] [Santiago EL MERCURIO in Spanish 3 Nov 86 p C4 PY]

THIRD QUARTER UNEMPLOYMENT RATE -- The nationwide average unemployment rate was 10.5 percent for the July-September quarter, only 0.1 percentage point less than the previously computed June-August 3-month period. These rates are calculated on the basis of the 1982 population and housing census. [Summary] [Santiago EL MERCURIO in Spanish 6 Nov 86 pp C1, C6 PY]

INFLATION RATE -- During a news conference, National Institute of Statistics (INE) Operations Deputy Director Luis Gatica reported that the cumulative inflation rate for the first 10 months of 1986 is 14 percent, and 17.3 percent for the past 12 months. [Excerpts] [Santiago EL MERCURIO in Spanish 6 Nov 86 pp A1, 10 PY]

STATE OF EMERGENCY EXTENDED IN 20 PROVINCES

PY010024 Paris AFP in Spanish 1632 GMT 30 Nov 86

[Text] Lima, 30 Nov (AFP) -- Today the Peruvian Government extended for 60 days the state of emergency, which suspends constitutional guarantees, in 20 provinces that have been shaken by terrorism during the past 6 years, it was officially reported. The respective decree states that the state of emergency, which places the affected provinces under the political-military rule of the Armed Forces, will continue to be in force in eight provinces of Ayacucho Department, the stronghold of the Shining Path guerrillas; in seven provinces of Huancavelica Department; and in one province of Apurimac Department,

The Maoist Shining Path guerrilla organization continues to wage an armed struggle through intermittent, unexpected actions in these provinces and in two provinces of Pasco Department, which were not included in today's decree. The Armed Forces Joint Command has reported, however, that the military forces have inflicted major defeats and casualties on the Shining Path terrorists in recent months.

In a communique, the Armed Forces Joint Command states that the government must continue to implement the necessary measures to restore public order in these provinces. The document adds that the reasons that prompted the declaration of the state of emergency in these provinces still persist.

Consequently, the following constitutional guarantees will continue to be suspended in these provinces: The right to be protected against trespassers, freedom of movement throughout the country, the right to assembly, and the right not to be arrested without a warrant.

The government of President Fernando Belaunde Terry decreed the state of emergency in the southeastern Andean region of Peru in January 1983 and established military command posts in the emergency zones in order to fight the guerrillas more effectively. By then, the guerrillas had declared several Ayacucho districts liberated zones.

Lima and its port on the Pacific, Callao, also have been shaken by acts of terrorism and have been under a state of emergency and a 0100-0500 (0600-1000 GMT) curfew since 7 March.

War Minister General Jorge Flores yesterday stated that the state of emergency should be maintained in the southeastern Andean region until all terrorist cells operating in the area are destroyed. Commenting on the decline in terrorist activities both in the Andean region and in Lima, Gen Flores told the press that this decline to a large extent stemmed from the state of emergency and from the arrest of important Shining Path and MRTA [Tupac Amaru Revolutionary Movement] leaders.

It has been reported by sources of the Antiterrorist Directorate that many members of the Shining Path hit squad have abandoned the metropolitan committee in view of their failure to implement the subversive actions planned for the 9 November municipal elections. However, the directorate sources did not elaborate on this report.

COSTA RICA

UNIVERSIDAD BLAMES CIA FOR 'WARLIKE CLIMATE'

PA291736 Managua Domestic Service in Spanish 1200 GMT 29 Nov 86

[Text] San Jose -- The Costa Rican weekly UNIVERSIDAD has blamed the CIA for the warlike climate that exists against Nicaragua. In this morning's edition, the weekly states that the Costa Rican commercial media has allied itself with the Nicaraguan counterrevolutionaries, with whom the media maintains close economic and propaganda links. It said that an intense anti-Nicaraguan campaign going on in Honduras and Costa Rica is being sponsored by the CIA and the contras, who practically control the most influential newspapers in the two countries.

UNIVERSIDAD agreed with the latest reports published in the U.S. magazine COMMON CAUSE MAGAZINE [name in English], according to which the headquarters for anti-Nicaraguan propaganda are in Tegucigalpa and San Jose, the capitals of two nations constantly listed as allies of the White House.

Regarding the Costa Rican media, Carlos A. Morales, director of UNIVERSIDAD, says both the Nicaraguan contras and the CIA have increased their connections with the three most important San Jose papers, LA NACION, LA REPUBLICA, and PRENSA LIBRE. In the lengthy report published by the weekly, Morales points out that he believes the CIA financed the purchase of a powerful radio station called Radio Impacto, whose broadcasts are aimed against Nicaragua.

LA NACION and LA REPUBLICA publish a weekly supplement that is prepared by the contra groups accredited to San Jose, and Radio Impacto rebroadcasts each night anti-Nicaraguan radio programs broadcast in Honduras.

RIVERA REJECTS SANDINIST BORDER PROPOSAL

PA281920 San Jose Radio Reloj in Spanish 1200 GMT 28 Nov 86

[Text] Deputy Foreign Minister Carlos Rivera has stated that the Sandinist proposal to establish a demilitarized zone on the border between the two countries is unacceptable. Although no such proposal has been officially presented to our government, Costa Rica could never accept a demilitarized zone such as the one suggested by reports with Managua sourcelines, the official said.

Costa Rica has always favored civil and diplomatic activities, and acceptance of a demilitarized zone in exchange for the withdrawal of a suit filed by the Nicaraguan Government would not be in line with its principles, Rivera said.

Regarding the Nicaraguan offer to withdraw the suit presented against Costa Rica at the ICJ, the deputy foreign minister said nothing will be done by Costa Rica in this regard. The suit was filed unilaterally by the Sandinist regime and we could never accept conditions to obtain a withdrawal that only the Nicaraguan Government can make, he said. The only thing Costa Rica is doing is preparing its response to the suit and acting in line with international law regarding the ICJ process, the official said.

GARRON DENIES PARTICIPATION IN CONDECA MEETING

PA270226 San Jose Radio Reloj in Spanish 1200 GMT 26 Nov 86

[Text] Costa Rican Public Security Minister Hernan Garron has said Costa Rica is not a member of Condeca [Central American Defense Council] and is not participating in the meetings the group is holding in Panama. Garron said no Costa Rican delegate was sent to the meetings, and Costa Rica is not participating as an observer as some reports have stated.

Public Security Minister Garron said Costa Rica may appoint someone to attend the meetings as an observer. The observer would be a Costa Rican citizen and would attend Condeca's meeting scheduled to be held in Guatemala early next year. The Guatemala meeting is to study the possibilities of creating a permanent Condeca group in Guatemala. Public Security Minister Garron said the appointment of the Costa Rican delegate is still pending.

BRIEFS

NEW COLON DEVALUATION -- The Central Bank's Board of Directors decreed the 16th devaluation of the colon in 1986. Beginning yesterday, the exchange rate to the dollar stands at 57.90 colones for purchases and 58.65 colones for sales. This new mini-devaluation is for 35 centimos. The issuing institute continues to implement periodical and small variations in the exchange rate. [Excerpt] [San Jose Radio Reloj in Spanish 1200 GMT 21 Nov 86 PA]

EL SALVADOR

DUARTE ADDRESSES UNGA ON NATION'S PROBLEMS

PA260237 San Salvador Domestic Service in Spanish 1529 GMT 25 Nov 86

[Speech by Salvadoran President Jose Napoleon Duarte to the UN General Assembly in New York -- live, broadcast in progress]

[Text] ...reality after so many years of dictatorship. Last year, I also (?wanted) to come to the United Nations to present to the world the advances we have made in the process. I wanted to express to the world our desire for peace. However, I was unable to come due to the infamous kidnapping of my daughter, Ines Guadalupe, and from my country I issued a call to the international community for peace, common sense, and solidarity, I asked the international community to support my effort for a just and human solution to the kidnapping, and the response and support of the United Nations prompted my heartfelt appreciation.

Today, Mr President, many of these dreams from the standpoint of efforts and values have undeniably come true. This is even admitted by our harshest critics.

In our most recent history, my country has suffered three disasters. There have been three disasters that have afflicted my people, increasing their misery and suffering. We can compare these three catastrophes to some biblical events and call them three plagues that have afflicted and are afflicting El Salvador. The first is the war. The second is the economic situation resulting from the international trade situation. The third is the recent earthquake. The earthquake inflicted social and economic damage greater than the other two tragedies combined.

The destruction caused by 7 years of war and economic crisis cannot be compared to the damage caused by 7 seconds of the 10 October earthquake.

Indeed, there is much to be done in all the aspects of Salvadorans' national life. However, the will of the people and the government remains unshaken, and we are determined to continue despite all the difficulties we may encounter along the way. For that reason, Mr President, today I am honored to address this august assembly to comment on the enormous problems and pressing needs my people are now facing along the path toward the rehabilitation and reconstruction of our capital city, which was devastated by the 10 October earthquake.

My presence here, friends, fundamentally reflects the clamoring of all the people who have placed their hopes and trust in the unified aid the international community may offer to overcome the current problems afflicting our people. These problems constitute a serious threat to the final consolidation of democracy in El Salvador. The earthquake meant sacrifice for all Salvadorans. Those who had already lost a great deal and had little left lost everything. That is the true reflection of the tremendous problem facing us. The earthquake brought to the fore and made everyone feel the pverty, hunger, and suffering we are experiencing. Thousands of families who were living along the banks of rivers or along cliffs and whose situation went unnoticed at first glance came to light during those 6 [as heard] seconds filled with panic which disclosed our situation of sorrow and conditions of subhumann existence. The cataclysm shook all of us without exception. It shook our conscience. It shook our hearts and minds and sent forth a tremendous and urgent plea to the entire world. If you please, it made us more human and unified in our mourning and grief.

The earthquake has been the hardest test, but the people have responded to it with faith and hope. Mr President, the devastating earthquake that shook San Salvador killed more than 1,500 people, leaving them without [words indistinct]. Approximately 300,000 were left homeless and great damage was done to our people's material, historical, and cultural inheritance.

Property damage surpasses (?$2 billion), including damage to the installations and property of hospitals, schools, the productive sector, businesses, and public services. In effect, according to information supplied by the private sector, 85 to 90 percent of the industries in the capital were damaged by the earthquake, greatly affecting the country's economy and production capacity because the metropolitan area is the main center for the nation's economic activity.

Allow me to tell you that the earthquake destroyed the hospitals in the metropolitan region. Consequently, thousands of Salvadorans are being treated in tent hospitals. Minor and major surgeries are being performed under precarious conditions at these hospitals.

Regarding the education sector, 150 schools were damaged. This represents at least 1,500 classrooms.

It must also be mentioned that 90 percent of cultural facilities were damaged: Many libraries, museums, monuments, churches, theaters, and athletic installations were destroyed.

Regarding public services, it should be noted that more than 50 kilometers of the water lines which serve one third of the city were damaged without taking into account the other drainage and aqueduct systems because of the burdensome and difficult nature of such an investigation.

Regarding telecommunications, four telephone exchanges whose repair cost amounts to more than $26 million, were damaged.

In addition, electrical service was also affected. The damage is estimated at more than $20 million. The urban infrastructure and transportation were seriously affected because there are cracks in the streets, and there are damages in many areas which amount to more than $30 million, without counting the cost involved in street repair, demolition, debris removal, and clean-up operations.

Special mention must be made of the problems caused by the earthquake in the administrative work and various government agencies. Many public service buildings suffered heavy damage. The cost of damages in this sector is more than $50 million. This amount does not include the cost of transferring these offices to other buildings and the rent involved.

Damges to the productive and commercial sectors amount to $135 million, not taking into account the losses resulting from the stoppage of their activities, which are estimated at $71 million total. These figures may look small to some industrialized countries, but they are huge to El Salvador. They entail at least 25 percent of the gross national product.

This natural disaster increases and worsens the existing poverty and makes Salvadorans' living conditions even more precarious. It substantially reduces the capacity of the central government and the municipal governments to solve problems. It forces us to produce unforeseen emergency solutions and to draw up and carry out short and medium-term programs and measures that must be integrated into a new approach to national development.

All of the aforementioned is (?an emergency) for which we must find a solution without relying on our own resources. This is our tragedy, and the war and economic crisis enormously diminish our chances of meeting social demands. The earthquake places us today in the position of being totally unable to meet our needs.

Mr President, the earthquake has entailed a profound worsening of the living conditions of the Salvadoran people and a radical departure from the plans for economic and social development my government was pursuing. As you will understand, this picture obviously demands a reformulation and rescheduling of our plans and strategies for development, which must be geared toward objectives and goals that had not been provided for to rebuild El Salvador.

Mr President, these three catastrophes have been and are being stoically confronted by my people. Against the destruction of the prolonged popular war we are joining rank in solidarity for national reconstruction.

We are responding to the war, the violence, and death with my government's five major solutions, which are: humanization, which is an ethical-political imperative that molds and regulates our conduct in the social context; pacification, which is the Salvadorans' most cherished and loftiest ideal; democratization, because this process generates consensus, pluralism, and freedoms for man's complete fulfillment in society; participation, which is aimed at making individuals responsible for their rights and duties in the construction of the democratic society; and reactivation, to stimulate the national economy and deepen social reform.

In the context of these objectives, I again called this year for a continuation of the dialogue effort as a mechanism characteristic of a democratic system which would advance us on the path to peace through the triumph of reasoning, transformed into the political will to compromise. I firmly believe in a dialogue for peace and not in a dialogue for war. I have called the rebels on three different occasions to discuss peace, not war. The new political and democratic isntitutionality gaining strength in my country promotes this because its very essence is against the use of violence and favors political projects and debates among various sectors. Unfortunately, the rebels have not been sensible to these appeals, which faithfully reflect the sentiments and the historic needs of El Salvador today.

A strengthening of the democratic process under my country's peculiar conditions necessitates an intensive and imaginative effort, on which we will continue to insist until we strengthen it completely. One of the parts of this process is the incorporation of the rebel groups into democratic life through a serious, sincere, and realistic dialogue within the established constitutional framework which would allow us to attain peaceful solutions, end the bloodshed among Salvadorans, and strenthen unity to achieve national reconstruction.

(?This is so) because we feel that dialogue is the only appropriate method in a democracy. Negotiating democracy itself is unacceptable, but [word indistinct] it in its application and safeguard its course. We would be making a grave historic mistake if we were to cut short the progress we have already achieved or worse yet if we regressed to the past. Today more than ever, our guiding philosophy is to continue to pursue the process of the country's transformation. This makes it possible to enjoy full and effective democracy with due respect and protection for human rights, which are basic and fundamental in my government's policy. We should also strengthen structural measures that enable the country's citizens to enjoy a dignified life, overcoming the causes of the conflict that has cost so much blood.

Within this context, my government cannot help but praise the efforts of the Un secretary general and the OAS to help conclude an overall peace and security agreement in our region by continuing the efforts of the Contadora Group. This work coincides with the official position of my government, which from the beginning of the Contadora Group's efforts, proposed and obtained the consensus of the member-countries that the Central American problem should be settled on a global, simultaneous, multilteral, and regional basis. Naturally, the overall agreements adopted (?prior to) Contadora's efforts must be verifiable. [sentence as heard] This objective is outlined in the Contadora draft document for peace and cooperation in Central America which the Contadora and the Lima Groups presented to our government on 6 June in Panama.

El Salvador resolutely supports the offer the gentlemen secretaries general [not further identified] have sent to our government. We understand that [words indistinct] at the stage that would begin with the entry into force of the Contadora Document. It is encouraging to note that this concept clearly means the gentlemen secretaries general have realized the urgent need to continue dialogue and negotiation at a regional level. To do so, in light of a global agreement, it is urgent to eliminate the obstacles to the resumption of the peace process. especially those which are by nature geared toward a sectorial solution, which is at odds with the pluralistic negotiation and dialogue.

I would like to digress from this topic because I know that in a few minutes the debate on the Malvinas will begin. I must state that El Salvador supports Argentina's position regarding the Malvinas and agrees that the debate concerning the islands' sovereignty should be resolved through negotiations that acknowledge Argentina's legitimate rights.

My President, my government feels that the secretaries, by advocating the preservation of the distance [as heard] the Salvadorans desire, are aware of our desire to conclude the as yet unfinished process. I say unfinished because the stumbling blocks that prevent its completion have not been eradicated. We therefore applaud the decision made by both secretaries general to unite -- despite their personal opinions -- with the Central American community, thereby underlining the need to remove the obstacles I have always pointed out in favor of peace, democracy, pluralism, development, and Central American security.

Regarding the economic catastrophe burdening us -- which has exhausted the solutions we have come up with -- the peasant, trade union, and business sectors, as well as my government, have made bold efforts to reactivate our economy. We have attempted to devise an economic system, based on a concept of true social justice, that will serve everyone. The government is aware that the internal structural disorders in the developing countries are determined to a large extent by persistently unjust international economic relations. When one adds to the overall picture the high interest rates imposed by the foreign debt, the panorama is one of increased levels of dependence by our countries on the world centers. The situation in those centers contributes very significantly to the instability of our economies. This is reflected simultaneously in our increasing socio-political instability, which in addition to lowering our peoples' standard of living, militates against the strengthening of democratic processes.

Many countries have now implemented maximum adjustment processes at a high social cost; productivity levels have declined creating an imbalance between our expenses and our income. That combination makes stabilization and economic recovery difficult. In response to this situation, Mr President, it is imperative that North-South cooperation increase. This cooperation should be founded on justice -- social and international justice -- and should be characterized by greater flexibility on the part of the developed economies. Such a situation will, in turn, contribute to the strengthening of structural changes in our countries and the creation of conditions of political, economic, and social stability rather than the contrary. [applause]

In keeping with these ideas and the decision to continue promoting the structural reforms implemented in my country, we are currently concentrating on agrarian reform and fulfilling the precepts contained in the political constitution. Through an irrevocable historical mandate of the Salvadoran people, we will decisively consolidate these reforms when the third and final phase of this process goes into effect in the next few months.

Mr President, in response to the natural catastrophe caused by the earthquake on 10 October, government action has developed in an intense and orderly manner throughout the various sectors of Salvadoran society, which joined their efforts to bring aid and relief to the thousands of victims. The earthquake has been a sort of lens that has allowed us a broader and deeper view of our people's drama. El Salvador will succeed, thanks to the collective effort made by all sectors, which have put aside their differences at this time and concerted their efforts to face the crisis burdening us. I must stress, in honor of the responsibility and civic-mindedness demonstrated by our people, that there was not a single serious case of disorder or looting. We have had no epidemics or any other type of general infections, thanks to the efforts made by all Salvadorans.

It is important to mention the devotion and honesty and the desire to serve their fellow men demonstrated by the different sectors and service institutions: the private sector, the unions, the peasants, the universities, the Army, public and municipal employees, workers, professional associations, and various trade unions. The solidarity of these groups was added to the humanitarian aid of the Red Cross and other organizations, service clubs, and churches in the effort to ease the suffering of the Salvadoran people.

This united effort has unequivocally underscored the authentic values that characterize a just, pluralist,. participatory, solid and egalitarian society where altruism prevails over selfishness, humbleness prevails over arrogance, friendship prevails over hate, and unity prevails over misunderstanding. El Salvador will always maintain this guideline because tragedies are also historical lessons that help us confirm fraternity and strengthen the humanitarian spirit of cooperation. Within this context, I want to underscore that El Salvador could not have effectively and efficiently faced this emergency without international aid and cooperation; the tragedy exceeded my country's capacity and resources to protect and help the earthquake victims. Likewise, it is appropriate to mention the adoption of the Emergency Aid for El Salvador resolution that was approved by this General Assembly on 17 October and allowed the international community to state its sorrow and recognize the extent of the disaster. The resolution urged all states to generously contribute to the efforts to bring aid and rescue the people in the affected areas. The UN resolution asked the secretary general to mobilize resources and contribute to the rescue and reconstruction tasks the Salvadoran Government had begun, coordinate the multilateral assistance, and -- upon consultations with my government -- determine short- and long-term emergency needs.

I also wish to thank -- on behalf of my people and government -- the most recent resolution concerning aid to El Salvador, which was approved on 19 October by the UN General Assembly and reasserts by consensus the appeal for solidarity and support for peace and the reconstruction in San Salvador. The same resolution urges the international community to continue its efforts for my country's development in general.

The appeal specifically issued for humanitarian aid -- particularly from the UN Development Program [UNDP], Unicef, FAO, and WHO -- is praiseworthy and very encouraging. Consequently, I want to take advantage of the occasion to tell you that I have come here to reassert my most sincere and heartfelt gratitude, and to renew the gratitude of the Salvadoran people and government to the countries [corrects himself] to all the countries represented here and those countries which -- without distinction of creed, ideology, or concept -- immediately sent aid to our country. We are also grateful to government and non-government organizations and private associations that are contributing in one way or another to alleviate the Salvadoran people's suffering with the aid they altruistically gave and continue to give us.

My government also wishes to state its recognition for the valuable cooperation the United Nations continuously gives my country through the local UNDP office in San Salvador, above all, for the continuous efforts recently exerted with other regional organizations like the ECLA due to the earthquake's aftereffects. This is what has brought me to this lofty universal podium to present a report on the damages and the needs for reconstruction.

Mr President, even though we have managed to solve the first phase of our national emergency, including immediate attention to the earthquake victims, we are still in the process of implementing the second phase, which is destined to permanently satisfy the victims' vital needs. This process involves thousands upon thousands of Salvadorans who live in the streets, covered by a mere sheet of plastic. We intend to implement plans to rehabilitate and rebuild the city of San Salvador. These last two phases represent the greatest and most dramatic challenge for my nation because, despite our firm will and stoic attitude in the face of the problem, we are compelled to seek international solidarity and cooperation. Thus, I dare to issue an appeal to all the governments and organizations represented in this high forum, that they offer us all the possible aid to begin this difficult, long, and humanitarian work -- within the framework of noble and extremely important resolutions that have been approved by the General Assembly resolutions I have mentioned with our everlasting gratitude.

Mr President, I wish to mention that any eventual international aid -- both bilateral and multilateral -- that we receive to begin our national rehabilitation and reconstruction will be handled by the presidency of the Republic with the cooperation of all our national sectors. Consequently, we have chosen to handle the earthquake crisis in the clearest way, exerting our best efforts to serve the most needy, most humble, and poorest sectors. As an example of our honesty in handling whatever aid the world has offered us, I can assert that I told our cabinet members they could not spend a single cent, they could not squander a single grain of corn, because everything was for the poor. I told them: We must first help the people. The government will serve the people from among the rubble.

Mr President, I present to you these documents, which I have brought with me. These documents not only include our plans and the general evaluation of the damage and our reconstruction possibilities, but also include the documents issued by international accounting firms, such as the (?Arthur Jones) firm. These accounting firms carried out a detailed survey of all the donations and each shipment flown in to our country.

Every item donated by the different countries is included in these documents, and you will be able to verify how these donations were distributed and who received them.

Mr President, among these documents you will also find the audited report, audited by the same international firms, on the money we have received to date. Our domestic and international donations barely amount to $2 million. This report itemizes each of these donations. Let the world know, and the Salvadoran people can rest assured, that the Salvadoran Government will use every dollar and every item donated to help those Salvadorans who truly need this aid; to help those Salvadorans buried in the rubble [as heard], those who lived on the banks of rivers and creeks, those who lived in the slums, those who were constantly hungry. Today we have seen all these people, and the Salvadoran people have become aware of the misery endured by our people. [sentence as heard]

Mr President, I present you with the audited documents of each donation received and distributed, with love and fraternal respect, among our people.

Mr President, delegates, the people and government of El Salvador have placed their faith and hope in the help and cooperation the international community may offer. We are sure the aid will be generous and abundant. Added to the efforts of my people, this aid will greatly help the process of national reconstruction we are carrying out. This will allow democracy in El Salvador to advance with strength and help us face the difficult times ahead.

Hope and solidarity are important elements to overcome the crises destiny has in store for the people. No democracy is weak if, when it needs it the most, it has the unselfish and humanitarian aid of the international community. My people and government have faith in you, in the UN.

Mr President, delegates, El Salvador is holding its own. Your help and cooperation represent the difference between short-term weakness and recovery with faith and hope in the future.

Thank you. [applause]

GUATEMALA

CEREZO STATES NICARAGUA MAY REJOIN CONDECA

PA271204 Panama City ACAN in Spanish 0200 GMT 27 Nov 86

[Text] Guatemala City, 26 Nov (ACAN-EFE) -- Guatemalan President Vinicio Cerezo told ACAN-EFE today "Nicaragua can participate in the Central American Defense Council if it wishes." The president said the Condeca meeting held in Panama over the weekend "was held without Nicaragua because it did not show up."

Condeca, with headquarters in Guatemala, was created at the suggestion of Nicaraguan dictator Anastasio Somoza in 1963. Its current members are the Armies of Guatemala, Honduras, El Salvador, and Panama.

"It was Nicaragua's own decision to stop participating in this regional organization after the triumph of the Sandinist revolution in 1979," President Cerezo explained as he walked toward his office. But "if they (the Sandinists) express a desire to participate, it will be studied and most surely approved," Cerezo said after adding that "Condeca exists, and all we are trying to do is reactivate it."

The Christian Democratic president said Guatemalan Defense Minister General Jaime Hernandez Mendez attended the meeting in Panama "because he was authorized to do so."

The meeting of top military representatives, except those of Nicaragua, was held "at the invitation of Panama to analyze the possibility of reactivating the organization, but no definite decision has been adopted," Cerezo said.

President Cerezo said, "Guatemala is willing to participate in any organization already existing at the Central American level." He added, "Panama suggested the transfer of the organization's headquarters to that country, but this has not been analyzed; it is simply a suggestion."

According to Costa Rican Public Security Minister Hernan Garron, whose countries does not have an army, as of next year, Costa Rica will participate as an "observer" within Condeca. Costa Rica was invited to join the organization as an observer by the Guatemalan defense minister during the recent meeting in Panama. Guatemalan Defense Minister General Hernandez Mendez currently heads the organization.

Condeca was created for a joint defense, by the six Central American countries, against an extracontinental military aggression. It stopped functioning following the 1969 war between Honduras and El Salvador and was reactivated a few years later. Condeca has remained inactive since 1979 when Nicaragua withdrew from the organization following the triumph of the revolution. However, according to General Hernandez Mendez, Guatemala is interested in reactivating the organization.

"Condeca was founded more than 20 years ago. Therefore it exists; the organization has not broken up, it only needs to be reactivated," Cerezo stressed. Likewise, the Guatemala president reaffirmed that Guatemala "maintains its policy of active neutrality in the Central American conflict."

Regarding a possible change in this policy as announced by Army spokesman Juan Fernando Cifuentes, the Guatemalan president said "there is no international policy in the world that cannot be replaced if it is found to be inconvenient."

"For the time being, the active neutrality will be maintained and will continue to be maintained for a long time, if there is no direct aggression from another country against ours," Cerezo added. Cerezo said that "if an aggression against Guatemala occurs, something which is not expected, then neutrality would be set aside. But I can state that the policy is firm and that the Army supports it."

CEREZO SEES REFUGEE REPATRIATION STARTING 1987

PA262329 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 26 Nov 86

[Excerpt] The UN High Commissioner for Refugees [UNHCR] met today with Guatemalan President Vinicio Cerezo at the National Palace.

[Begin recording] [Cerezo] We discussed the refugees and the programs that may be implemented next year. We agreed on many issues, on the voluntary return of the refugees, and that the process should be relatively slow so we can improve our existing situation to be able to offer them better living conditions.

[Speaker] Did you set dates for their return?

[Cerezo] We have not yet established dates, but we believe that by the beginning of next year we could initiate a program that would begin with an investigation of the refugees' attitudes and their desire to return. [passage omitted] [end recording]

HONDURAS

SANDINIST TROOPS REPORTEDLY ENTER COUNTRY

PA281950 Tegucigalpa Voz de Honduras Network in Spanish 1800 GMT 27 Nov 86

[Text] Honduran people: EPS troops reportedly have entered 8 km inside Honduran territory. There was bitter fighting from 1900 yesterday until today at 0300. There is an unconfirmed report that a Honduran soldier was killed. We have more details on this from our correspondent, Luis Alberto Montana:

[Begin Montana recording] Pedro Antonio Nalva, a resident of Capire, has said that the Sandinists have entered 8 km into Honduras. Hundreds of persons who have arrived from Capire have said that yesterday EPS troops entered 8 km into Honduran areas known as Espanol Grande and Espanolito. However, their objectives were frustrated by the Honduran army. The clashes between the Sandinists and the Honduran Army lasted approximately 8 hours: they began at 1900 yesterday and ended today at 0300.

Meanwhile, there is a report, which has not been confirmed by the military authorities of El Paraiso Department, that states that another Honduran soldier died at dawn at the Las Trojes and Cifuentes area as a result of a clash at the border. This was also reported by Pedro Antonio Nalva.

Meanwhile, reliable sources have told this radio station that while Hondurans are leaving the area of conflict Nicaraguans are seeking refuge in Honduras. Now there are 117 Nicaraguans at Las Trojes waiting to be transported to Danli, from where they will be taken to the refugee camps in Los Guasimos, Jacaleapa, and Teotecacinte to join the refugees already there. [end recording]

ARMED FORCES CHIEF CONFIRMS CONTRA PRESENCE

PA292218 Buenos Aires REUTER in Spanish 1737 GMT 29 Nov 86

[Text] Tegucigalpa, 29 Nov (REUTER) -- General Humberto Regalado Hernandez, chief of the Honduran Armed Forces, today confirmed the presence of Nicaraguan rebels in Honduras. This is the first time the military leadership has publicly admitted the presence in Honduras of anti-Sandinist guerrillas financed by Washington.

Regalado said Friday: "Here we have 'contras' who oppose the democratic system in El Salvador, 'contras' who oppose the Sandinists, and even 'contras' who oppose the Honduran Government." Regalado was being interviewed by local reporters on Honduran-Nicaraguan relations.

So far, the Honduran military leaders had refused to publicly admit the permanent existence of anti-Sandinists in Honduran territory, and President Jose Azcona Hoyo still maintains the rebels "enter and leave" the country but that they are not permitted to stay permanently.

Honduras, the second poorest nation in Latin America after Haiti, is the principal U.S. ally in conflict-ridden Central America and serves as a base of operations for 12,000 - 15,000 rebels who have been trying to overthrow the Nicaraguan Government since 1982.

Regalado Hernandez said "fear exists in Central America" due to the expansionist strategy of the "Nicaraguan communist system." He added that the strategy of the clandestine Honduran Communist Party is based on "the bad reputation caused by the contras, the departure of U.S. troops, and the matter of human rights, which in turn destroys the reputation of the Armed Forces."

PARTY LEADERS DISCUSS CENTRAL AMERICA CONFLICT

PA281811 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 27 Nov 86

[Text] [Announcer] Efrain Diaz Arrivillaga [president of the Honduran Christian Democratic Party National Directorate] has said the United States will become concerned about Honduras when there is communism in our territory. Carlos Roberto Reina [leader of the Liberal Party of Honduras] says that Honduras cannot compromise its sovereignty, honor, and dignity, because they are priceless. This was Reina's reaction to the announcement that neither Honduras nor Central America will benefit from the $300 million in U.S. assistance.

[Begin recording] [Reina] Honduras must not compromise its sovereignty or status as a sovereign nation in a conflict in which the main protagonists are President Reagan and his government, and the Sandinist government. I think this matter of the $300 million is a consequence of the serious crisis that President Reagan's administration is currently experiencing. His plan to assist rapidly the counterrevolutionary forces and to stop a conflagration in Central America have failed.

That is why I believe the basic situation is to keep military forces out of Central America. Honduras' dignity and honor are priceless. The situation is becoming more and more difficult every day but the deadlines are being shortened. I feel 10 January should be the deadline for a war threat to cause hanging over Central America.

[Unidentified reporter] Do you think this $300 million did not reach our country because of negligence on the part of the authorities or because Guatemala's proposal was not serious?

[Reina] Guatemala's proposal, which is the Esquipulas proposal, should have strong backing. The Central American parliament is a venue to engage in dialogue and to reconcile Central American decisions. In my opinion, the first step in connection with the crisis in Central America should be finding a reliable venue to engage in dialogue and [words indistinct] could also talk with the Contadora Group and the Support Group. This sequence of the Central America parliament and the Contadora and Support Group is, in my opinion, the best means to stave off a military confrontation in Central America. The other details -- such as whether or not there has been negligence -- are unimportant because, to me, the only assistance Honduras can receive is cooperation without any political strings attached. To compromise the country politically means undermining its sovereignty and, in the end, damaging its image and the dignity of its policy. [end recording]

[Announcer] You will now listen to Diaz' statements in his own words:

[Begin recording[[Diaz] I think the current developments in Central America, especially in Honduras, result from the position of our country, which I think is completely mistaken. We have become the country that does the dirty work for the United States. We have allowed our territory to be used without [words indistinct] in exchange from the United States. I have never felt that the United States regards Honduras, or Central America for that matter, as an ally or a partner. Instead, we have always played a subordinate role in U.S. policy, and U.S. policy priorities are determined by its own interests rather than those of Honduras.

[Words indistinct] only confirms this -- that its main concern is the assistance to the Nicaraugan counterrevolutionaries and not our country's interests insofar as its development is concerned. I think this is a lesson we Hondurans must learn. As long as we Hondurans do not devise a policy on Central America that will look more after our interests and really seek more independence, we will be [passage omitted]. [end recording]

[Announcer] It has been said that no one can ignore a regional conflict. Lopez Contrera [Honduran foreign minister] told "This Very Day" that he agrees with the contras carrying out their warlike actions in their own territory.

[Begin recording] [Second reporter] The media have reported worldwide that violence has grown and that this may result in war Central America. What is your opinion about this?

[Lopez] Yes. There is obviously a possibility that the warlike activity will increase, but only inside some countries that are experiencing conflicts.

No one can ignore, no one can disassociate the increase in the activities of the Nicaraguan armed insurgent group from the financial support that Reagan granted them in the United States.

That somehow created an expectation of increased warlike activities in Central America. However, I would not limit myself to that. In other words, we feel the phenomenon should take place inside the various countries, but it should not necessarily imply an internal conflict; such a conflict does not have to occur and we do not wish that to happen. Honduras wishes to remain aside from internal conflicts [as heard].

Naturally, the geographical proximity imposes risks and damages on us. This is not a new situation; we suffered the same damages in 1978 and 1979 on the borders with Nicaragua and El Salvador. In other words, we pay a high price as a result of the rebel activities in those countries.

We have to take care of flows of Salvadoran and Nicaraguan refugees indefinitely. In addition, we have to suffer the consequences of the border-area armed clases, which harm the civilian population who constitute an important sector of our population.

[Reporter] Mr Foreign Minister, [words indistinct] the delivery of the $100 million for the Nicaraguan counterrevolutionaries. This would reduce the problems that Honduras is having in its congress regarding the entrance of contras in Honduran territory; or on the contrary, it would [words indistinct] because perhaps in that way they will not be able to continue the war [words indistinct] against the neighboring country.

[Lopez] Yes, Honduras' hope is precisely the people's love of a country that exists regardless of any political tendency or ideology. That sector is concerned about the counerrevolution [words indistinct] armed actions should be carried out in their own territory to avoid turning the neighboring countries into sanctuaries of their operations.

This is a very difficult situation with international relevance and is a permanent source of conflicts between the neighboring countries, especially when the rebels are searching for a sanctuary in the neighboring countries.

We experienced the same situation in 1978 and 1979. I would like to remind you that in 1979, Costa Rica convoked the OAS for a meeting of consultation to prevent a possible aggression from the government of Somoza, because he said the armed opposition, which is now the Sandinist regime in power, used Costa Rican territory to launch their attacks against the Nicaraguan Government. [end recording]

NICARAGUA

ORTEGA ADDRESSES NATION ON 'FACE THE PEOPLE'

PA292335 Managua Domestic Service in Spanish 1615 GMT 29 Nov 86

[Statements by Nicaraguan President Daniel Ortega Saavedra during a 'Face the People' program held in Somoto, northern Nicaraguan -- live]

[Excerpts] We bring greetings to the residents of Somoto and companeros who live in other areas. We see here companeros from San Jose de Cusmapa, Las Sabanas, (Puluka), La Laguna, and a delegation from Ocotal. Is the Ocotal delegation here? [A man is heard saying "yes"] Are there any representatives from Esteli? Yes, there is a delegation from Esteli and from the neighborhoods here in Somoto.

Companeros and brothers, first we wish to present our respectful greetings to the mothers of heroes and martyrs who are here with us today. There are mothers here who have suffered the loss of their sons, and we know that the sorrow endured by the Nicaraugan mothers is a sorrow that has resulted from U.S. Government aggression. However, beyond this sorrow is the strength, spirit, and morale of the mothers and people who wish to continue working and building; who wish to work for the welfare of the people despite the war. Despite the war we continue to work. [passage omitted]

The peoples who live along the border with Honduras are particularly heroic peoples. Since the triumph of revolution they have endured the constant pressures of U.S. aggression, the mercenary aggressions. The peoples who live along the border live on the front lines, the line of contention against the mercenary forces. The war has not reached Leon, Managua, Masaya, and Granada, because you are here holding back the mercenary forces, confronting them, and defeating them in the trenches of the front line.

It is true that the Managua, Masaya, and Leon youths, workers, students, rural and urban workers, technicians, and professional also come here to this area, to these towns to help defend the revolution. They not only help defend the revolution militarily but also in other ways. Thousands of youths have been deployed to the areas along the border, a few kilometers from here, mobilized within the Patriotic Military Service. These youths came from Managua, Masaya, Leon, Granada, Rivas, Chontales, and other areas of the country. However, there are also hundreds of technicians, teachers, health workers, agricultural technicians, technicians involved in the various areas of our country's production, who have come here to work by your side and help promote all the plans we must develop to improve the living conditions of the people.

It is not an easy situation. There is war and this land is not the best for cultivation or cattle raising. Great efforts must be made to product certain crops and to grow grazing pastures for our cattle. Despite the difficulties this is being accomplished, and we will continue to work in this area. We will continue to do it even with the enemy, the mercenary forces, in Honduras. They are in their camps, receiving money and weapons from President Reagan and military training from the U.S. Army. Despite all this, here, in this area, we continue to work. [passage omitted]

Many times we have talked about the struggle for life here in Somoto; we have talked about how the Nicaraguans can help. We must, because it is our duty to help; it is the duty of the Nicaraguans to help; it is our duty to work to produce, to build schools and health centers. It is our duty to work and produce henequen; it is our duty to pick up a rifle and defend the revolution, the right of the people to speak up, and to meet here and talk with their government. We are a government that is here to serve its people, a government led by the people. In the long run, it is the duty of the Nicaraguan people, of the companeros of Managua and other regions to come here and fight the mercenary forces. it is the duty of the Nicaraguans to send technicians to work and improve the community. This must be the duty of the Nicaraguans because if we, the Nicaraguans do not do it, then we would no longer be Nicaraguans.

We wish to recognize and stress the international solidarity we have received. A general recognition must be given to the international solidarity Nicaragua is receiving. Many countries have contributed generously to our country, but today we wish to mention the solidarity we have received from a people and city of the United states, Seattle. Seattle is a city in the State of Washington. A brotherhood between Managua and Seattle has been born. We have learned that a delegation from Seattle is here with us today. [applause] This delegation has not only worked in Managua but also here in Somoto. [applause] This is the true face of the United States. Reagan's face does not represent the face of the people of the United States. His face is the face of an impostor who became the representative of the U.S. people but who is working in an arbitrary, illegal, and brutal manner, committing barbaric actions in the name of the U.S. people, and thus marring the prestige of the U.S. people.

Reagan is not the U.S. people; the U.S. citizens who are here are the real U.S. people. [Words indistinct] people who love peace, a people who do not want war with Nicaragua, a people who do not agree with Reagan's policy against Nicaragua, a people demonstrating, in practical and specific ways, its solidarity with Nicaragua. They are not expressing their solidarity with words; they are doing it with actions and heroic actions. One of these heroic actions was the 48-day fast staged on the Capitol steps in Washington. The group of fasters was protesting the war in Nicaragua. Another specific action is the work being done by our North American companeros, our North American brothers, who come to Nicaragua and Somoto risking their own lives. They know that coming to Somoto involves certain risks because the mercenaries are close by, they could cross into Nicaragua and carry out some terrorist actions and murder citizens, as they did only recently when they killed a 1-year-old child. That is the kind of action carried out by Reagan's freedom champions. They murder 1-year-old children, women, and other people. What we have here with us is the real face of the North American people, the real heart of the North American people, not Reagan's face. Reagan does not have a heart. The North American people do, and their heart is here with us this morning. [passage omitted]

When we passed through Esteli, we saw what was once a truck. That truck was burned by the mercenaries, and this is proof of the terrorist actions of the U.S. Government. Our transportation is being destroyed just as they destroy health centers, schools, and endanger the lives of our people. Women, children, and old people are being murdered. That is the kind of situation we are experiencing.

However, and we said earlier in this program, despite these difficulties we continue to advance. Why? Because the people are determined to advance. This determination is supported by the international cooperation we receive. With their help, the money is put to better use. We do much here with the money we receive because we are a people determined to put this money to good use.

We all know who is to blame for the difficult situation endured in Nicaragua. Who approved the $100 million in aid to make war against Nicaragua? Where was it approved? Where? [people shout "the United States"] The U.S. Congress, the United States. Just imagine what our present situation would be -- at this moment, during this meeting, during this "Face the People" -- had the United States, when it approved the $100 million in aid in June -- if instead of approving it for the mercenaries to destroy the homes of the Nicarguans, kill the Nicaraguans, destroy their schools and transportation system, the United States had given the $100 million in aid to Nicaragua; for the Nicaraguan people; to improve the living conditions of the Nicaraguans. What would we be talking about today? We would be talking about how to distribute that $100 million.

What for? To resolve the problems our companeros have mentioned. To resolve our transportation problems; to improve or roads and schools. We would have had money available to resolve our water and electricity problems. But what happened? The United States is not interested in helping us. All it wants to do is finance the mercenary forces that come here to make war and destroy what we have built. Had we received that money in aid, we would not be faced with the problems of supplies. For example, in Managua, INAA [Nicaraguan Aqueducts and Sewers Institute] is having problems because it cannot get the supplies it needs. The spare parts INAA needs to repair its equipment are all U.S.-made, and we cannot get those parts due to the trade embargo. Therefore, we cannot buy those spare parts in the United States. We could not buy those spare parts even if we had the money to do so. So now we see that Managua's water supply is affected and not because the lake's water level has dropped but because of faulty equipment.

So we see a government that is bent on making war on Nicaragua; a government that seeks every possible way of making war on Nicaragua. A companero just handed me a piece of paper. Companero (?Russel) has asked me to explain what happened with the money given to contras after manipulating what apparently was a negotiation with Iran. This shows us how obsessed the President of the United States is in destroying schools and killing children in Nicaragua and destroying the transportation system that the Nicaraguan people have. He is doing all he can to get money to the mercenaries despite the ban ordered by the U.S. Congress. Apparently, what happened was that there was a process of negotiation with Iran -- despite all this we have good relations with Iran. We are not against negotiations. We favor negotiations. We are willing to negotiate with the United States and sit down and talk to President Reagan about all these problems and tell him we want peace. Then we see that President Reagan apparently -- because of all that has been said and the proof produced -- began a process of negotition with Iran. The United States delivered weapons to Israel, not the people of Israel but the Israeli Government -- a government that is an accomplice and serves U.S. policy and supports the Somozist dictatorship -- gave weapons to the Somozist dictatorship and now gives weapons to the mercenary forces.

The Israeli Government sold those weapons for more than they were worth. The Israeli Government acted as a speculator. It bought the weapons for a certain price and sold them for another. The surplus was given to the mercenary forces so they could continue their policy of terrorism against Nicaragua. Now it has been discovered in the United States that the President of the United States has been violating his country's laws. This does not surprise us. However, in the United States they raised a commotion because in the United States the press [3 minute break in reception].

Do you agree with the suggestion presented by the companera? [people applaud and shout "yes"] Of course, our morale is high. Despite all our difficulties and problems, our morale is high. We are living with the threat of invasion, but we continue to work. That will not stop us from working. If they invade us they are going to find trouble here; they are going to find trouble like they did when they tried to confront Sandino. The only difference is that they are going to find themselves facing a Sandino and a people who are better armed and trained to confront and defeat the invader. That is what they are going to find. Today we do not have the Sandino with his little rifle fighting in this land; today we have all the people, armed and ready to confront the invader should be arrive.

We want a peaceful solution; we want peace. We do not want war; we do not want to fight U.S. troops here; we do not want to fight the mercenaries; we want to fight against illiteracy and disease. We want to build schools and health centers for those 800 children in Santa Isabel who do not have classrooms. [passage omitted]

We are all equal; all nations have equal rights. Based on this, we are willing to negotiate peace with the United States. We want an end to bloodshed in Nicaragua; we do not want the North Americans to shed their blood here. Should an invasion occur they would be sent here to die just like they did with Hasenfus. [Words indistinct] all we did was fire on the aggressor. If they would have stayed working in the United States they would have not died here. They would still be alive. [passage omitted]

Today in the papers we read a statement made by a former Costa Rica minister who charged that at the U.S. Embassy a provocation plan was proposed. Costa Rica would appear to be attacked by Nicaragua [words indistinct] force the United States is looking for a way to intervene in Nicaragua, and it is using the Honduran and Costa Rican Governments to launch this action against Nicaragua. However, we hope that the Costa Rican and Honduran Governments will not get mixed up in this because if what they hope to do is to burn us, then we will all get burned. Not just the Nicaraguans but all of us will get burned. Therefore, the best thing for everyone is for this intervention not to occur. If it does, we are going to get burned, and it will end up being a very costly intervention. Yes, the North Americans who may come here to invade our territory will get burned. [passage omitted]

DAILY PROBES U.S. ARMS SALE EXPOSE IMPLICATIONS

PA291250 Managua BARRICADA in Spanish 27 Nov 86 p 3

[Excerpts] A scandal exploded in the United States, and many more things are in store.

The tip of the iceberg [in English] suggests that rather than a new Watergate, we are about to witness the unmasking of the Reagan administration and the public exposure of its illegal, immoral, and dirty policy against many peoples of the world, especially Nicaragua.

The resignations of Lieutenant Colonel Oliver North, who is known as the "swordsman-in-chief"; and Vice Admiral John Poindexter, chief of the National Security Council [NSC], have opened to the world the entrails of the U.S. Administration's covert operations.

The present moment offers more questions than answers to the international scandal. What is the degree of Reagan's participation in all this? Why are people in Washington circles talking so desperately about saving President Reagan? What role did Vice President George Bush, who is the virtual NSC executive director and former CIA director, play in this? What else is behind the mysterious figure of Lt Col North, who is considered a close ideological friend -- "because of their mutual anticommunism" -- of President Reagan? What could Democrats do to stop the war against Nicaragua and make the U.S. Administration abide by the ruling of The Hague Court?

It will not be easy to answer these questions. The commission established yesterday has convinced nobody, because the helping hands of Reagan's friends are evidently present to help bail him out from the crediblity crisis facing his government's foreign policy. We must search for the answers in history and for the root itself of imperialist U.S. logic. [passage omitted]

North, "a lover of wigs and counterfeit passports to carry out his missions," who is fully dedicated to his objective of creating a counterrevolution in Nicaragua to facilitate his often-practiced plans to topple the Sandinist revolution, had a close working relationship with Bush.

The relationship was recently made evident with the downing of the C-123K plane and Eugene Hasenfus' statements regarding Bush and North's role in supply operations for Somozist groups.

The use of several members of Bush's team of assistants to establish a "private" support network for the contras and the telephone calls made by CIA agents in El Salvador to North's office in the White House's basement are two elements that cannot be separated from an analysis of this case.

Nobody in the United States believes this action -- the creation of the "private" network to channel aid to the contras -- is the work of a lieutenant colonel whose age, number of children, and residential addresses of his children are withheld "exclusively for security reasons." Was North acting on his own or was he obeying orders?

It is evident that North was carrying out a mission: Carrying out a plan drafted in Santa Fe and adopted by the Reagan administration to create the conditions needed to topple the Sandinist revolution at any cost. Was he acting alone? That is not logical, even more so given Reagan's sick attitude toward the Sandinist revolution and Bush's involvement in the financing of counterrevolutionaries.

The Hasenfus case is not the only thing pointing to North's involvement in this dirty war against Nicaraguans. In the summer of 1985, North held talks in Portugal to secure arms shipments for the Somozists.

North's ties with General Secord, the Pentagon adviser who is clearly linked to support operations for the contras, are well known. It is believed that North and Secord are directly involved in Hasenfus's flight. The link between North and General John Singlaub, retired leader of the anticommunist Moon sect and financier of mercenary operations, has been confirmed.

The former NSC member was also in Honduras in 1983 to organize the contras and deal especially with aspects pertaining to their supplies. In these operations, he directly inolved the White House and the counterrevolutionaries.

Justice Secretary [title as published] Edwin Meese himself has acknowledged that former NSC chief McFarlane, Poindexter, and of course, North were involved in the most recent "private" support operation for the contras.

Poindexter's and North's resignations, the doubts about Reagan's participation, and the involvement of Bush and the White House cabinet chief [title as published] Donald Regan show, among other things:

1. The U.S. Administration was clearly determined to act outside the framework of international law and its own law in its attempt to topple the Sandinist people's revolution.

2. The immorality of U.S. Government policy, especially toward Central America.

3. The unmasking of the real terrorist. The abuse of its power to attack with terrorism means a people whose only crime is to have chosen a path of self-destruction and sovereignty.

4. The situation in Nicaragua has external causes, which refutes the civil war argument.

5. The administration has no plans to "exert pressure" on the Sandinists to "make them negotiate." Quite the contrary, it seeks to destroy the Sandinist revolution. [passage omitted]

HONDURAS DENIES REPORTS ON EPS INCURSION

PA290349 Managua International Service in Spanish 0107 GMT 29 Nov 86

[Text] The Honduran Armed Forces today denied press reports on an alleged incursion into Honduras by EPS troops. Army Spokesman Lieutenant Colonel Jose Oscar Flores reiterated that the EPS has not crossed into Honduran territory and that the information to this effect is false. The Armed Forces' High Command is kept abreast of the situation at the border, and to date, it has received no official report on incursions, the Honduran official added.

3D PCC CONGRESS MEETS TO APPROVE DRAFT PROGRAM

PA291220 Havana International Service in Spanish 1600 GMT 29 Nov 86

[Text] The deferred session of the Third Congress of the Cuban Communist Party [PCC] will begin this Sunday morning at the Havana Convention Center, where delegates will discuss and approve a new version of the party's draft program. The draft program has been enriched with proposals made by the party's members, the Union of Young Communists of Cuba, and workers and members of all the mass organizations of the country.

They will also review the results of the special sessions of the provincial and municipal PCC committees, which led the rectification process in all social and economic areas of the country. The delegates will also review the contents of the politico-ideological duties for the upcoming years and measures to improve them. The closing of the deferred session of the Third PCC Congress is scheduled for 2 December.

Raul Castro Opens Session

FL302320 Havana Domestic Service in Spanish 1355 GMT 30 Nov 86

[Speech by FAR Minister Raul Castro at the opening ceremony of the deferred session of the Third Communist Party of Cuba [PCC] Congress held at Havana's Palace of Conventions -- live]

[Text] Comrades, we now begin the deferred session of the Third Congress of the Communist Party of Cuba [PCC]. This event's extremely important significance is even greater when we remember that it is precisely today that we mark the 30th anniversary of the heroic uprising of the city of Santiago de Cuba in support of the landing of 82 expeditionaries who, commanded by Fidel, arrived in the fatherland 2 days later to resume the armed struggle. Those events resulted in the creation of the rebel army and are the symbols which express very eloquently that our revolutionary cause was forged in the melting pot of greater sacrifice, of the most absolute courage and dedication.

To remember closely that epic is also to evoke the memory of those who generously offered their lives during this long and unwavering struggle and paved the way for our people's victory. Today we begin our work influenced by these historical commemorations.

As we announced during the first phase of the congress held at the beginning of the year, 1,790 delegates were elected to participate in this important event. Some 526 are laborers and 24 are peasants; 222 are workers who are directly linked to services, science, education, and other social tasks; 223 are FAR or Interior Ministry combatants; 864 delegates have university degrees, 442 have mid-level higher education; and 563 are comrades who have given their internationalist help to other peoples of the world.

Out of the delegates elected for this congress of provincial assembly meetings and party meetings at the FAR and Interior Ministry, as well as at work centers and military units elected because of extraordinary achievements in their area of specialization, 1,723 comrades are present and 67 are absent because of justifiable reasons. This means that we have the necessary quorum to begin our activites.

Comrades, the main report presented by our first secretary, Comrade Fidel Castro, during the first sessions of the congress held last February, the approved documents, and the conclusions reached there, marked an extremely important moment in the life of our party and we can assert with confidence, that they are the beginning of an improved stage in the history of the Cuban revolution. A quarter of a century after its founding, the PCC paused for a frank and mature evaluation of the experience gained during our process, and set out the political guidelines to follow in accordance with the new circumstances that the revolution would have to confront at present and in the future.

With the criticism and self-criticism conceivable only among revolutionaries who have demonstrated absolute loyalty to the people, we Cuban Communists, especially the first secretary of our Central Committee, summed up the advances made by our society. However, we devoted most of our energy to pointing out with absolute clarity the mistakes and deficiences affecting the building of socialism in Cuba. The party came close to the roots of the problems and drew guidelines to confront these problems in a gradual, systematic, and profound way.

Perhaps the most important outcome was that we established that it was not a matter of advancing toward superficial and fleeting campaigns, that we would not be able to mobilize the population's energy simply to press on with circumstantial crusades, but, on the contrary, that we would have to work long and systematically to firm up the strategic policy of building socialism in Cuba.

In the months following those first sessions of our congress, Comrade Fidel, with the lucidity and courage he has invariably demonstrated in his leadership of the revolutionary process, examined with increased thoroughness the path taken at our February meeting, uncovering serious mistakes and deficiencies that had an undoubtedly negative influence on the development of the revolution. Therefore, in the last few months, our first secretary has repeatedly told the people about errors and deviations not only in the management of the economy, but also in the political and ideological arenas. This determined the beginning of the process of rectification we are engaged in at present. At the same time, in the name of the party's leadership, he has issued substantive instructions to carry out this process with determination and serenity.

This deferred session was basically envisioned to approve our party's first program, the culmination of the process of consultation with militants and workers all over regarding the country. We consider, however, that this is above all a fitting occasion for a thorough discussion of and renewed reflection on the critical problems that require that we eradicate all manifestations alien to the very essence of the revolution and socialism.

I am following the instructions of Comrade Fidel and of our Politburo in asking you to ensure that in these sessions of the Third Congress we will be able not only to conclude the discussion and proclamation of the party program -- a document of transcendental importance encompassing a general strategy for the country's political, economic, and social development -- but also to use this opportunity in a responsible manner to analyze the progress of the process to rectify mistakes and negative trends that had been cropping up in a greater or lesser fashion in the various strata of society. As could be supposed, this has and will have a deep effect on the life of our people and in the development of the resolution itself.

The party's Central Committee, and particularly its first secretary, Comrade Fidel, hope that these final sessions of the Third Congress will be a synthesis and true reflection of the wealth of expertise gained in the discussion and analysis that have taken place this year in the rank-of-file organizations and in the municipal and provincial party committees, where courage and depth prevailed among the militants and the cadres when it came down to assessing individual situations in their respective work spheres, areas, and fields. This is a particularly encouraging sign.

This meeting must give evidence of the maturity attained by the party we have forged. We must openly face the essence of all those issues involved in the rectification process and which require our thorough examination. We have advanced with firm steps along the road to rectification. However, these steps are only the first ones in a process that will bring profound changes and renewed impetus to our society. Hence, our efforts over these 2 days must be geared to a profound and absolutely honest examination of all that remains to be done and how we will do it.

If we achieve these objectives, we will make this meeting the brilliant culmination of our party's Third Congress, which will map the long-term work of coming years and provide a program of action to face the difficulties at hand. In this spirit, and in the total conviction that just as Fidel has asked, combativeness, openness, and maturity will prevail in this meeting. I declare open the deferred final session of the Third PCC Congress. Many thanks. [applause]

CASTRO ADDRESSES MEDICAL CONGRESS DELEGATES

FL271505 Havana Television Cubana Network in Spanish 1800 GMT 26 Nov 86

[Text] Commander in Chief Fidel Castro, first secretary of the Party's Central Committee and president of the Councils of States and Ministers, attended last night's opening session of Surgery 86 at the Palace of Conventions.

Surgery 86 includes the third national congress on pediatric surgery, as well as the first international seminar on liver and biliary system surgery and the first on the organization of general pediatric surgery. Attending the event are nearly 900 delegates from Cuba and 17 other countries, as well as internationally renowned specialists. Following the opening ceremony, the commander in chief held a lively conversation with some foreign delegates. Fidel discoursed on extracorporeal lithotripsy, used to dissolve kidney stones. He also spoke about heart transplants and family medicine. On this last topic, he highlighted the work to reduce infant mortality, especially in the mountainous regions of the former Oriente Province.

[Begin video recording showing Fidel Castro, standing, surrounded by unidentified delegates] [Castro] We have 3,000 cases that require lithotripsy; I mean, operations of that kind.

[Delegate] Why are there so many cases of kidney stones here in Cuba?

[Castro] It depends. Well, I don't think there are so many. The number is higher in some regions; it depends on the water, in particular.

[Delegate] Don't they drink enough water, or...

[Castro, interrupting] Some people boil it. This makes the salt precipitate. It depends on the water and nutrition in some regions. However, we have 3,000 cases and we are estimating, let's see -- first we brought in this lithontriptic equipment. We thought about installing one unit in central Cuba and another in the eastern part of the country. Well, it is expensive. First of all, the electrodes cost $300. The condenser carries out 1,000-1,200 shooting operations, maby 1,500. [laughter in crowd] A transformer -- what do you call it? It has another name. It's electrical equipment that has to be recharged every 200,000 shots -- Well, every 200 operations. [as heard] It costs $40,000 for each recharging.

[Delegate] It's expensive.

[Castro] It costs some $500-600 alone. Well, there is a new lithontriptic procedure that does not require a bathtub. It does not require anesthesia.

[Delegate] You mean ultrasound?

[Castro] It does not require x-rays. They are using ultrasound. All right. There is a lot of competition because this one is the best so far. It is the best one, the safest, with excellent results. The kidney stone can be seen with absolute clarity. The equipment is very efficient. We also want to take the equipment to the various regions; we were thinking of all three. Now it would function continually, by shifts -- three shifts. We were looking for (?eight), I was telling you. I toted up the figures. The cheapest thing is the man who operates the machinery. The most expensive item is the equipment. So what we have to do is get equipment for several places; we are already working on equipping the central and eastern areas. That is what the future is going to bring. By having the three units, we can have them working continually. I tell you that the least expensive element is the man who operates the equipment, when you calculate $100 for each operation. The operator, the equipment should perform five or six. However, they must be done calmly, without rushing. This is not equipment that you turn like an automatic lathe. Let's say five. Now, we are going to make the machine work. Instead of having one set of equipment, we'll have three. We have installed magnetic nuclear resonance equipment, a whole series, a whole laboratory.

[Delegate] Commander, heart transplants are being performed in Cuba.

I would like to ask you: Considering that Cuba is such a small country with few resources in terms of the money required to preform heart transplants, do you think they are justified, since there are other...

[Castro, interrupting] Well, I'll tell you. Lithotripsy probably saves more people's lives than do heart transplants. Of those 3,000 cases, there could be many operations; they are very traumatic and the kidney could be lost. Then comes the kidney transplant and all that kind of thing. However, I'll tell you, the important thing about heart transplants is not the number of people saved, though the procedure brings hope to a lot of people; the important thing is that transplants help develop surgical techniques and medicine in general. There is the enormous development of surgery, medicine, immunology and everything else connected with transplants. And heart, lungs, and liver transplants they are taking place. I believe there is a Spanish specialist here. I imagine he'll deliver a lecture on that topic. That is the real value. It is not just an operation costing 100,000 [not further specified]. In any case, it gives hope to perhaps a million people who believe that if anything happens, they will get a new heart. It gives hope to a lot of people, but it also helps medicine develop tremendously. And then it can save lots of lives later.

[Delegate] They are fully justified?

[Castro] Yes, yes, there is not the slightest doubt about that. Of course, it is expensive. Well, the heart does not cost anything here because people donate the organ. When there is an accident, the relatives donate the organ. The cost is in the material used in the operation, the reagents, all that, medicines, disposable material. That is what costs most. Well, there is also the number of people involved, although our salaries are not so high.

Of course, our peso is worth more than a dollar. A peso can make the trip to New York 20 times. [laughter among delegates] They are worth 100,000-50,000 [words indistinct] exact figures. There are the hospitals, the participating physicians, all that. It is much more economical. The figures are not (?the point). In the end, the lithotomy is more expensive, but it helps 3,000 people. It makes 3,000 traumatic operations unnecessary. Well, the minister invited you to see the family doctors. Don't forget to go see the family doctors.

[Delegate] Yes, we have to go see them because they are the most important.

[Castro] They are the most revolutionary thing that we have ever done, the most revolutionary teaching methods in the field of primary care. The minister was in a hurry; he was worried about the time. He didn't want to exceed his time.

[Delegate] How are women doing in surgery? Are they doing all right?

[Castro] There are several already. They are making progress in that field, although it is not their favorite. I don't know. They are moving in that direction and they are everywhere.

[Delegate] Woman surgeons or male surgeons? [laugher in crowd]

[Castro] The women. When you said there were less general surgeons, and there were 300 pediatricians and many more surgeons [words indistinct]...

[Delegate interjects] Four thousand or so specialties.

[Castro continues] Such as orthopedic surgeons and the others. There are about 4,000. They seem 1,300 compared to the 300 of whom you spoke, the ones you bad-mouthed a bit [laughter in crowd] forgetting that some helped us. Well, there were some who helped. A handful helped us and thanks to them we are now where we are. But the truth is that there was no methodical training of surgeons, no practical training. There were general physicians who studied nothing else. And this general physician (Teja) talked about has to be strong in obstetrics, pediatrics, and internal medicine, as well as psychiatry and hygiene [words indistinct]. A very interesting thing is that he studies his speciality as a resident of the polyclinic of the area where he is.

[Delegate] You are not talking about those who have just graduated?

[Castro] No, he comes in after graduating.

[Delegate] In some specialty?

[Castro] No, after he has been there for a year, except for the ones in the mountain areas, because it can't be organized that way there. We have whole mountain areas [word indistinct] with such fabulous results that in the municipalities that have family medicine practitioners, the mortality rate is less than 10 for every 1,000 births. Less than 10. Although we are under 15, this is still relatively high for the first week. That is the weak link. Those are the services to be established with an intensive program of prenatal care. Prenatal genetics and services, with timely interruption of some of our cases [words indistinct] who die in the first year.

With those three elements we thought we could make it less than 10. In the mountains, we have done the job with family doctors only, without these three additional factors. And we are speaking of a couple of years. We placed 150 doctors in another region. We are getting close. (Teja) was saying that there were 1,600 consulting rooms but 2,400 doctors. That was because we did not build houses and offices for the first ones. The first ones had to use a garage, a neighbor's living room. The first 700 -- poor people -- the first 800 did not have a place. The second batch did; in their second year -- those in the second group had tiny consulting rooms. The third group had bigger rooms. Over 1,500 have been built, with the offices on the second floor of their homes. The doctor lives right there with the peasants. This was revolutionary. Now, with the family doctor alone we have been able to bring down the mortality rate to less than 10. Statistics show that all the municipalities in the mountains with family doctors are registering less than 10 in the infant mortality rate in the first year of life.

[Delegate] How many are enrolling each year in family medicine?

[Castro] The figure is 1,500 and will go to 2,000 later. In 8 to 10 years we'll have 20,000 in the family medicine network and another 5,000 in schools and factories. We had 6,000 doctors; 3,000 stayed behind. We now have 25,700 and 3,000 more are graduating. We are enrolling 5,500 selected students in family medicine courses. So, it's becoming a hemorrhage. [laughter in crowd] In the next 13 or 14 years we will have 65,000 physicians. Of these 30,000 will be working in the network, 20,000 in the community, 5,000 in factories and schools, and 10,000 abroad. We must include those who are working overseas. We have 1,500 overseas. They are rendering free services in the name of the country. We will graduate 10,000 more so that we can give each doctor a year's sabbatical for every 7 years of service. That is the full picture; we plan on 75,000 more. We are getting there.

[Delegate] What about the recertification of physicians?

[Castro] The what?

[Delegate] Continuing education.

[Castro] Well, that is what I am saying: A year's sabbatical after every 7 years. All doctors will have a year with pay and they will be free to study, whether they are specialists or still...[change thought] well, whatever the speciality. Everyone will be a specialist. All of a sudden we turn general knowledge into a speciality, and there will not be a single case of an individual called a generalist just because they took their studies no further. This is a speciality that we have established here with a full program. They have their own textbooks and it is a difficult program. Therefore, all physicians will be specialists--all. Everyone will enroll in a speciality. Besides the pediatrics program, we are working on others. Some are ready. We are finishing work on the programs of 35 medical-surgical specialities -- our plan until the year 2000.

Well, as I was telling you, what we have achieved with these family doctors is that they have reduced infant mortality rates to less than 10 in the mountains. I sometimes asked myself whether there were any genetic factors involved in the capacity to survive the first year of life. They said that the Swedes had less than 10, Japanese had less than 10. I believe Spain stood at 9.8 -- just under 10. I wondered if there were gentic factors involved. But I am now convinced...there might be. There might be national groups that are more resistant. The climate is not the same. Not all climates are the same. Tropical climates are more harsh, because of the amount of bacteria and fungi, all that. Temperate climates are healthier. Now we have to look at a country in the tropics that can bring it down to less than 10. I feel that we can make it less than 10 for sure in a few more years with these programs we are implementing. It could happen in 1990-1992. We are, after all, giving priority to the mountain areas, and doctors are not being scattered here and there. They are going into full polyclinics. Polyclinics are 25,000. [as heard] There are from 35 to 40 physicians in each. Since each polyclinic has a specialist in pediatrics, internal medicine, and obstetrics, they are the teachers. They become the teachers of the rest. That is why the minister said that all hospital facilities are becoming training facilities.

In the past, if you tried to find a teaching hospital you met with pretentiousness. They had all specialties, but not anymore. Hospital "x" can offer 20 specialities, but the modest municipal hospital, where they have a lot of children, childbirth cases, internal medicine problems, can now graduate specialists there -- residents in a municipal or even a rural hospital. The polyclinic is a teaching facility, because all those family doctors do their residencies there after the first year. The doctor stays there for a second year because we want his stability. We want him to stay there 10 or 15 years. Of course, he does have other possibilities, because in the future almost all other specialists will come from the family doctors, who will by then have a second specialty. The exception will be surgical specialties. We will have to start out early on those because they require special manual skills. However, cardiologists will first have to be general practitioners. The same with all other clinical specialties. Future pediatricians will have to be generalists first, so they have plenty of future opportunities. But we want them to establish themselves first and stay there.

We move them around in the countryside because this program cannot be applied to the countryside. Distances are too great. They can't get to a polyclinic to receive instruction. Let's take the case of a pregnant woman. She's ordered to rest and has a macho husband, who for some strange reason, does not want her to rest. [laughter in crowd] Well, what do you do? You go see him and talk to him. If you can't manage to convince him, you have to find out where he works and talk to the trade union, the Party, the community, everybody, to explain the situation to this man and to see if he persists in his attitude. That is moral pressure.

In other words, they have to get involved in problems affecting people. They have to attend all cases, such as cardiac problems, diabetes problems, circulatory problems of all types, high blood pressure. They tell you 39 with blood pressure over 600. [as heard] There they have all the (?specialties), but they are...[changes thought] We used to have this problem with basic medical care. Some of the people would not go to the polyclinic; they would go directly to the clinical-surgical hospital. They trusted the clinical-surgical hospital more. Of course, luckily some were still going to the polyclinics, but just 30 percent were going straight to the hospital which could finish off the hospital, because they [words indistinct] for the emergency room. They were going to them constantly.

The result of this was that the polyclinic, to which 500 people were going daily, was seeing only 100, and those 100, because they were going for laboratory tests. The first odd thing that we observed was that there was a lack of confidence in the polyclinic doctor. Nobody would go to the polyclinic. They were going to see only the specialist as a rule. Second, no one was going to the emergency room in the area where the family doctor was located. [words indistinct] [laugher in crowd] They asked for hospitals because the emergency rooms (?would not suffice). This brought plenty of specialists. Then, the solution -- we had a network and we thought it was perfect -- nevertheless, the emergency rooms were always crowded.

This type of doctor has helped us get rid of that nightmare. They are not going to the polyclinic anymore. When they have a problem, the doctor himself takes him to the hospital, follows up on his case, and even becomes his attorney there in the hospital.

Nothing is going to stop his patient from getting care, because if he doesn't, they will have the doctor to deal with. He is the patient's attorney also. He knows everything about him: where he lives, how he lives, what family problems he has [words indistinct].

[Delegate] Do they have medicine in the clinics?

[Castro] The medicine is in the clinic. Those on the mountains do have some medicaments, such as injections. They have the minimum for emergency cases that could crop up.

[Delegate] Are they trained in minor surgical procedures?

[Castro] Minor surgery is being performed in the polyclinics, which was not being done before. Perhaps one of the best things to come out of this is domiciliary hospitalization. This is going to save us a lot of beds. Many people came to stay in the hospital simply because they had to have their blood pressure taken every day and be given an injection. Home care has been instituted. This has emerged in practice, not from forethought. Many things have come up in practice other than the ones we had planned for. One of these is domiciliary hospitalization.

[Delegate] Commander, does that include ambulatory surgery? It also helps.

[Castro] Well, as I explained, I do not know enough about that. What I do know is that it is already being applied in the polyclinics. Is that what is called ambulatory surgery in this case?

[Delegate] Yes.

[Castro] This does not mean that you go around in a bicycle operating on people along the way? [laughter in crowd]

[Delegate] Those are certain cases that in the past had to be hospitalized; now that we have a family doctor close by, it is easier to perform some surgery without having to admit the patient to the hospital.

[Castro] Fabulous. Other countries have it but we were the first and no one is going to catch us now.

[Delegate] Allow me to congratulate you, as the president of the International Surgeons Association representing 63 countries, for the magnificent lesson you have given us on human and social medicine and for the magnificent changes you have effected in Cuban medicine.

[Castro] We are just beginning. Come back in 15 years. Well, you can come anytime you want. [laughter in crowd] I wish you all great success. We hope to derive many benefits from the congress, because we have come here to learn about the latest techniques you bring with you. Many thanks. See you later. [applause] [end video recording]

INTERIOR MINISTRY HONORS FAR DURING CEREMONY

FL270232 Havana Television Service in Spanish 0100 GMT 27 Nov 86

[Excerpts] Army General Raul Castro, party Central Committee second secretary and FAR minister, has presided over the Interior Ministry's main ceremony honoring the FAR on the occasion of the 30th anniversary of the landing of the Granma and FAR day.

FAR and Interior Ministry generals, chiefs, and officers attended the event held at the FAR Universal Hall. Division General Jose Abrahantes Fernandez, Central Committee member and interior minister, was the keynote speaker. He greeted the FAR combatants on the occasion of the historic date to be marked on 2 December. He underscored that today FAR members are examples of discipline and organization and added that the Interior Ministry is proud of sharing defense tasks with that armed force. [passage omitted] Division General Ulises Rosales del Toro, alternate Politburo member, made the closing remarks. He thanked the Interior Ministry for hosting this ceremony.

RAUL CASTRO PRESIDES OVER FAR AWARDS CEREMONY

FL291425 Havana Radio Progreso Network in Spanish 1200 GMT 29 Nov 86

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba Central Committee and FAR minister, has presided over the ceremony bestowing the Ernesto Che Guevarra Order, second class, to a group of Cuban combatants who fought in the Spanish Civil War.

The ceremony was held in the FAR Universal Hall during which the commemorative 30th FAR anniversary medal has also presented to General Enrique (Liser), founder of the historic Fifth Regiment of the Spanish Civil War and veteran of the USSR's great patriotic war. The medal was also presented to well-known Malaga citizens [Malagones] and two Membisa veterans.

ANIR CONGRESS REELECTS PRESIDENT, VICE PRESIDENT

FL270310 Havana Radio Rebelde Network in Spanish 0000 GMT 27 Nov 86

[Text] Cuban innovators and efficiency experts will mainly devote all their knowledge and work to reduce imports, increase savings in general, and contribute to the country's scientific and technical development. The plans of the second ANIR [National Association of Innovators and Efficiency Experts] congress also include positive economic achievements coordination with technical and economic goals of enterprises, and increased participation in the retrieval and manufacturing of spare parts.

During this session, Antonio Leon del Monte and Roberto Fabrega were reelected as ANIR president and vice president, respectively. Roberto Veiga, party Politburo member and Central Organization of Cuban Trade Unions secretary general, is making the closing remarks at this time. We should note that the ANIR congress greatly encourages us to thoroughly cover technical activities conducted by Cuban innovators and efficiency experts.

Roberto Veiga Closes Congress

FL271319 Havana Radio Progreso Network in Spanish 1200 GMT 27 Nov 86

[Text] Roberto Veiga Menendez, Politburo member and secretary general of the CTC [Central Organization of Cuban Trade Unions], has spoken at the closing of the second congress of the National Association of Innovators and Efficiency Experts, ANIR, at the CTC's Lazaro Pena Theater. Speaking to more than 300 delegates and an equal number of guests, the trade union leader stressed the pureness of the workers' movement and its importance in the country's economic development plans. During the 2 working days, important presentations were debated and solutions were sought for the immediate application of ANIR innovations.

ANPP ELECTS FIDEL, RAUL CASTRO DELEGATES

FL280150 Havana Television Service in Spanish 0100 GMT 28 Nov 86

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has been elected Santiago de Cuba Municipality deputy to the National Assembly of the People's Government [ANPP] during an ANPP special meeting. Politburo members Juan Almeida Bosque, Armando Hart Davalos, Esteban Lazo Hernandez, and Vilma Espin Buillois also headed the group of 21 deputies, who will represent the Santiago de Cuba Municipality at the ANPP.

Army General Raul Castro, first vice president of the Councils of State and Ministers, was elected to represent the Segundo Frente Municipality. During similar assembly meetings held in Santiago de Cuba's nine municipalities, 47 deputies have just been elected to the top government organization. Over half of them are electoral district delegates.

Politburo Members Elected

FL281406 Havana Tele-Rebelde Network in Spanish 1200 GMT 28 Nov 86

[Excerpt] Politburo member Julio Camacho Aguilera has been elected deputy to the National Assembly of the People's Government [ANPP] by the Plaza Municipality in Havana City. Delegates from this municipality elected eight other deputies to Cuba's highest legislative body, which will be formed within 30 days -- by 27 December -- as is required by law. Other delegates elected were Central Committee members Pedro M. Chavez Gonzalez, president of the Havana City Provincial Peoples' Government, and Juan Escalona Reguera, justice minister. [passage omitted]

HAVANA JOINS CEMA ELECTRONUCLEAR PARTS GROUP

FL271345 Havana Radio Progreso Network in Spanish 1200 GMT 27 Nov 86

[Text] Cuba was admitted as a member of the special CEMA commission coordinating the production and supply of electronuclear equipment. This agreement was reached at a working group meeting in Warsaw, Poland.

U.S. WITHDRAWAL OF DRAFT RESOLUTION 'A DEFEAT'

FL290231 Havana Radio Reloj Network in Spanish 0201 GMT 29 Nov 86

[Text] The United States has withdrawn, due to lack of support, a draft resolution accusing Cuba of human rights violations. This draft caused great controversy among UN diplomatic circles and it was increased by the Cuban delegation's presentation of two draft resolutions on human rights violations in Puerto Rico and the United States.

Addressing the UN General Assembly's Third Commission, Cuban Delegate Eumelio Caballero said the withdrawal of the U.S. draft resolution could be considered as a defeat. Finally, the Cuban delegation did not submit for a vote its two draft resolutions to avoid delaying the works of the commission, which was discussing human rights violations in El Salvador, Chile, and Guatemala.

U.S. HUMAN RIGHTS CAMPAIGN 'PSYCHOLOGICAL WARFARE'

PA291938 Havana International Service in Spanish 0000 GMT 29 Nov 86

["Viewpoint" commentary read by Angel Hernandez]

[Text] In recent years, the United States has been presenting itself as a spokesman of continuous propaganda campaigns in defense, allegedly, of human rights. The crusades, which are basically aimed against the socialist countries and those that have decided on noncapitalist development, have the mark of psychological warfare. This week, the U.S. representation at the United Nations tried to wage a diplomatic battle against Cuba, charging that in Cuba human rights are not respected, a completely false charge aimed at taking the people's attention from true attacks on human dignity. It is precisely on this issue that the accuser becomes the accused and has to explain situations as evident as poverty, unemployment, discrimination, the forced expropriation of American Indian territories, and the spoiling and exploitation of their natural resources.

In the United States, ethnic minorities endure a degrading economic and social situation. Their living standards are 80 percent inferior to the national average, and Indians, Negroes, and Hispanics are the most likely groups to go to prison. As a priest once said: It is not that they commit more crimes than others, but that they are the ones who are most often arrested, sentenced, and jailed. Ethnic minorities possess the highest level of misery, unemployment, suicide, and AIDS cases -- facts that undeniably make evident the human rights situation in the country that proclaims itself defender of such rights. The right to work, to education, to rest, and to medical assistance do not deserve a mention in the United States. For this reason, it can launch campaigns with impunity against other nations without taking a look at its own situation, loaded with drug addicts, poor people, people with no hope to find a job, young people with no access to schools, families without homes, and 195 million secret records in FBI files. Out of 19 agreements and pacts on human rights favored by the United Nations, the United States has signed only 5.

The latest U.S. State Department report on human rights in Latin America twisted facts for the purpose of destabilizing the Nicaraguan Government and stabilizing governments such as El Salvador's, which is notorious for the atrocities it has committed against the civilian population.

The country that aspires to appear as the greatest fighter for liberty and democracy openly supports Zionism and apartheid -- genocidal systems that have been broadly rejected by the international community; arms and directs the Somozist, UNITA, and [word indistinct] counterrevolutionary bands; and is trying to lead mankind to a nuclear holocaust because of its intransigent decision to engage, at all costs, in an arms race. It is with these attributes that the United States has appeared at the United Nations trying to ignore, by vilely slandering our country, that the country with the Statue of Liberty is the one that most often works against its ideals.

PERUVIAN SENATE PRESIDENT CRITICIZES TIAR

PA271441 Havana International Service in Quechua 0000 GMT 19 Nov 86

[Text] Peruvian Senate President Armando Villanueva has told the press that Peru will ask for the elimination or modification of the Inter-American Reciprocal Assistance Treaty [TIAR] because after thoroughly analyzing it, one concludes that it only favors the United States. This is so because, through this treaty, the United States can intervene with its Armed Forces in any Latin American country whenever it so desires, Villanueva added.

He said that the TIAR is only used by the United States when it is beneficial for its interests and to be able to crush the democratic revolutionary movements, as was the case in Santo Domingo when it intervened in the domestic affairs of a nation, something that should not be repeated, Villanueva said.

GUATEMALAN OFFICERS VIEW NEUTRALITY AT CONGRESS

PA271226 Havana International Service in Spanish 0000 GMT 27 Nov 86

[Report by Luis Alfonso Rodriguez from Guatemala; date not given -- recorded]

[Text] Three high-ranking Guatemalan military officers were summoned to appear before the Congress of the Republic on 1 December to discuss the Army's position regarding the policy that Guatemala has implemented in Central America.

The officers summoned by the Legislative Assembly are General Jaime Hernandez, the defense minister; General Hector Gramajo, chief of the Army General Staff; and Captain Fernando Cifuentes, spokesman of the Armed Forces, it was reported here. This summons came in the wake of statements by Army spokesmen last week that it is possible that Guatemala could abandon its policy of active neutrality in the region, which would make it easier for Guatemala to directly fight the Nicaraguan regime through the Central American Defense Council, Condeca.

It was reported that the installations of the Guatemalan military airport have been used by Honduran and Salvadoran Army planes in the past few days. In addition, it was reported that the Guatemalan Army continues to carry out war maneuvers along its eastern border shared with El Salvador involving a large number of troops and heavy weapons.